



WASHINGTON REALTORS®

October 14, 2022

Mr. Anthony Doan, WA State Building Code Council Chair
Members, WA State Building Code Council
c/o Stoyan Bumbalov, Managing Director
WA State Building Code Council
Dept. of Enterprise Services
1500 Jefferson Avenue S.E.
P.O. Box 41449

RE: Washington State 2021 Residential Energy Code

Dear Mr. Doan,

Washington REALTORS® represents thousands of residential and commercial real estate professionals, their clients, and those affiliated with the real estate industry. We are committed to the principles of sustainability and energy conservation and work to create economically prosperous and environmentally sustainable communities. That said, we cannot support some of the amendments proposed to the 2021 Residential Energy Code.

We ask the State Building Code Council to deny including the following amendments in the 2021 Washington State Residential Energy Code:

- 21-GP2-084 (R202 Definition and R401.1 Scope):

Washington REALTORS® disagree with proposed change and the cost impact cited in the proposal application and request denial is for the following reasons:

This amendment changes the definition and scope of the WSEC-R by removing R-2 buildings with interior access and placing these buildings under the Commercial Energy Code. The application stated the purpose was to align with the International Residential Code. The proposal brings most multifamily buildings under a single set of requirements regardless of height, for the purpose of making it easier for code



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understanding, enforcement, and compliance. Further rationale stated” ...this will allow individual jurisdictions to set a higher building performance standard for low-rise multifamily buildings, as they do not do for medium-rise buildings, thus moving the state closer to its goals for efficiency and carbon reduction.” Also, the application noted that there would likely be zero impact to housing affordability.

- First, the 2021 International Energy Conservation Code did not change the definition and scope of buildings included in this version of the code. We do not see the value of making this change with this code proposal.
 - Second, low-rise multifamily buildings moved into the commercial code will have added costs to comply with the commercial energy code. This is particularly true should individual communities set a higher building performance standard for these buildings since the commercial code sets a minimum standard. While, the code addresses new buildings, there is no question that existing building remodels exceeding a certain cost threshold will need to comply with the commercial energy code.
 - Finally, in the Residential Energy TAG, the state’s acute housing crisis was noted as a reason certain measures should not move forward. Even though the application form for proposals includes impact on housing affordability, this section of the form was either not answered or left blank. Regulations do add costs to buildings. The higher costs mean higher rents and higher mortgages potentially displacing tenants and/or owners of the buildings. These low-rise multifamily buildings are part of the Missing Middle housing choices under consideration for Washington communities by the Governor and the Legislature.
- 21-GP2-065 Heat Pump Space Heating (R403.13, Table R405.4.2(1) and R503.1.2):

We ask the SBCC to deny this space heating proposal and not include the proposal in the 2021 WSEC-R. The advancement of this proposal requires a realistic understanding of the capacity and the timing of electrical grid upgrades and expansions to manage the existing and additional load generated by the 2021 code before consideration of mandates for all-electric buildings.

The proposed change mandates heat pumps for heating (either gas or electric) to heat new homes. This section combined with other parts of the proposed code disadvantages the use of gas heating as a choice for consumers. The TAG never considered the timing in moving to only heat pumps whether gas or electric. The most important consideration is whether Washington’s grid system can manage the additional load



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demand to the electrical grid system as proposed in this code and the commercial code. This proposal should not advance until there is a better understanding of the capacity and timing of electrical grid upgrades and infrastructure expansions to manage both existing and future load increases generated by the 2021 WSEC-R. Nothing prevents the installation of these heat pumps today. See additional concerns in the minority report dated September 23, 2022.

- 21-GP2-066 Heat Pump Water Heating (R403.5.7, 403.5.7.1, Table R405.4.2(1) and R503.1.3):

Our request for denial of the proposal is due to inadequate consideration of the state's electrical grid capacity currently under study. The advancement of this proposal requires a realistic understanding of the capacity and the timing of electrical grid upgrades and expansions to manage the existing and additional load generated by the 2021 code before consideration is given to this requirement. Nothing prevents the installation of these heat pumps today.

- In addition, we ask the Council to disapprove and/or modify proposals as recommended in the minority report dated September 28, 2022, provided by members of the WSEC-R TAG.

We believe these proposals are premature and need further study. The Council, before acting on these and other amendments eliminating or making it difficult to use natural gas in residential buildings, should have a clear understanding that the state's electric grid infrastructure can address the additional demand for electricity. The local utilities and the State Utilities and Transportation Commission are currently evaluating the impact to load, reliability, and cost to consumers of increased electrical demand on the grid. The UTC is expected to provide its findings in a report due in June 2023. Grid capacity must be a factor evaluating and deciding additional changes to the energy code. We do not want to make national news as California did the past month asking Californians to curtail their electricity, including the charging of vehicles. Washington should avoid moving too quickly toward electrification so state residents do not experience brownouts and blackouts as some other states have recently experienced.

Early this year, the House Environment & Energy Committee took testimony on HB 1084 that proposed net zero fossil fuel energy use by 2031. As part of the bill, the State Dept. of



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Commerce was required to develop and implement a strategic plan to accomplish this target, identity barriers, and how to overcome them. The plan would then inform the Council in the review of updates to the WSEC-R in the future code cycles. Though the bill did not make it out of the committee you can imagine our surprise that the above proposed amendments were included in the proposed Energy Code. We believe this circumvents the legislative process and limits stakeholder input. Further, because the bill stayed in the committee, REALTORS® believe the Council currently does not have the authority to adopt measures that essentially move the state to all-electric new residential buildings.

Even the state's 2021 Energy Strategy released in January noted a list of actions to take under the building sector portion of the Strategy. It was clearly noted in the document that these actions required additional analyses and information to be gathered and considered as the state moves forward to net zero fossil fuel greenhouse gas emissions for both residential and commercial buildings. These analyses are critical for determining the downstream effects such as rent increases to tenants or increases to mortgages as a result of increased utility costs.

In addition, the Washington State Department of Commerce recently released an RFP for a Residential Building Decarbonization Implementation Plan for residential single and multifamily buildings. This plan under the section titled "Strengthen and Expand Energy Codes and Standards" lists the first action as:

"The Legislature should revise the energy code to require the state Building Code Council to adopt zero-carbon and all-electric construction and efficiency mandates no later than the 2027 code, fully achieving incremental improvements each code cycle from 2021 to 2027. Funding for technical development, code implementation and evaluation of progress should be provided." (Washington 2021 State Energy Strategy, p.75)

Finally, the global pandemic impacts received minimal consideration as part of the code change review. First, many residential tenants and owners were adversely impacted. Washington's housing crisis has been exacerbated by the pandemic with people behind in rent and building owners, particularly small building owners, hit hardest. Any cost increases would only make the situation worse should a building remodel be needed, particularly if the buildings were under the commercial energy requirements.



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Second, the pandemic over the past two years has led to major disruptions in the supply chain ability to deliver components and products needed by the manufacturing industry. This makes it difficult for the building and development industries to have certainty in being able to obtain code compliant products as codes change. Those who track the supply chain consistently note that there is still an 18-to-24-month delay.

For all these reasons Washington REALTORS® requests the State Building Code Council not adopt the above cited three amendments. We further ask that modifications be made as proposed in the minority report.

Sincerely,
Washington REALTORS®

Jeanette McKague

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Assistant Director of Housing & Community Development



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